

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-07 TRSE-00 OMB-01 AID-05
COME-00 AGRE-00 CIAE-00 INR-07 NSAE-00 SP-02 /041 R

EXIMBANK

DRAFTED BY XMB: D L THOMPSON
APPROVED BY EB/IFD/ODF:MVCREEKMORE
XMB: R D CRAFTON
XMB: J D BIERMAN
ARA/CAR:GDESANTILLANA

-----029583 130333Z /73

R 122122Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY PORT AU PRINCE

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E.O. 11652: N/A

TAGS: EGEN, HA

SUBJECT: EXIM'S POLICIES FOR HAITI

REF: PORT AU PRINCE NO. 2231

1. EXIMBANK DOES PROVIDE SHORT TERM INSURANCE COVERAGE
LIMITED TO SHIPMENTS OR CONTRACTS OF SALE ON TERMS
OF IRREVOCABLE BANK LETTER OF CREDIT PAYABLE IN U.S.
DOLLARS IN THE U.S. OVER A CONSIDERABLE PERIOD OF
TIME, HOWEVER, EXIMBANK HAS NOT BEEN ABLE TO CONSIDER
EITHER MEDIUM-TERM INSURANCE AND GUARANTEE COVERAGE
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OR LONG-TERM FINANCING. (EXIMBANK HAS NO "F" RATING).
CONGRESSIONAL MANDATE REQUIRES EXIMBANK TO FIND A
"REASONABLE ASSURANCE" OF REPAYMENT YET HAITIAN ECONOMIC
CONDITIONS AND EXIM'S EXPERIENCE CONTINUES TO SUGGEST
THAT NO SUCH ASSURANCE EXISTS IN HAITI FOR LARGE TRANS-
ACTIONS THAT WOULD JUSTIFY MEDIUM OR LONG-TERM FINANCING.
EXIMBANK'S DIRECT CREDIT EXPERIENCE IN HAITI IS DESCRIBED
BELOW:

2. CREDIT 295: EXIMBANK ESTABLISHED A LINE OF CREDIT OF DOLS 5.0 MILLION IN MAY 1941 FOR THE DEVELOPMENT OF RUBBER, SISAL, AND OTHER TROPICAL PRODUCTS. THIS CREDIT WAS GUARANTEED BY THE GOVERNMENT OF HAITI.

THE ORIGINAL AUTHORIZATION INCLUDED INTEREST AT 4 PERCENT AND REPAYMENT OVER 10 YEARS, INCLUDING A GRACE PERIOD OF 5 YEARS. ALTHOUGH REPAYMENTS OF PRINCIPAL BEGAN AS SCHEDULED IN 1947, RESCHEDULINGS WERE AUTHORIZED IN 1950, 1952, 1958, 1962 AND 1965. WITH QUARTERLY PRINCIPAL PAYMENTS OF DOLS 50,000, THIS REPAYMENT SCHEDULE WILL FINALLY BE TERMINATED IN 1981.

3. CREDIT 457: EXIMBANK FIRST AUTHORIZED IN 1948 A DOLS 4.0 MILLION CREDIT TO THE GOVERNMENT OF HAITI FOR AN IRRIGATION AND AGRICULTURAL DEVELOPMENT PROJECT. BY 1955 THE AMOUNT AUTHORIZED HAD INCREASED IN STEPS TO DOLS 27.0 MILLION. THE CREDIT TERMS FOR THE TRANS-ACTION INVOLVED INTEREST AT 4 PERCENT, WHICH WAS REDUCED TO 3-1/2 PERCENT IN 1949, AND REPAYMENT OVER 18 YEARS INCLUDING A THREE-YEAR GRACE PERIOD. EXIMBANK WAS INVOLVED IN NEGOTIATIONS FOR RESCHEDULING THIS DIRECT CREDIT IN 1962 AND 1965. THE NEW REPAYMENT SCHEDULE ENDS IN 1992.

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4. GIVEN HAITI'S VERY POOR REPAYMENT RECORD AND DIFFICULT ECONOMIC SITUATION EXIMBANK DOES NOT PROVIDE DIRECT FINANCING.

5. AS OF MAY 31, 1977, EXIMBANK HAD THE FOLLOWING EXPOSURE IN HAITI:

(THOUSANDS OF DOLS)	
SHORT-TERM	DOLS 925
CREDITS AND FINANCIAL	
GUARANTEES	DOLS 21,217
TOTAL EXPOSURE	DOLS 22,142

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, INSURANCE, CREDIT GUARANTEES, LOAN GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE161992
Document Source: CORE
Document Unique ID: 00
Drafter: D L THOMPSON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770248-0772
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770765/aaaacesw.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 72f7e66c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Reference: 77 PORT AU PRINCE 2231
Retention: 0
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1885393
Secure: OPEN
Status: NATIVE
Subject: EXIM'S POLICIES FOR HAITI
TAGS: EGEN, EFIN, HA, XMB
To: PORT AU PRINCE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/72f7e66c-c288-dd11-92da-001cc4696bcc
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